

REMARKS/ARGUMENTS

Claims 1-83 remain pending in this U.S. Patent Application No. 09/578,631 (the "'631 Application"). Claims 1-15, 18-56 and 59-83 stand rejected; claims 16, 17, 57 and 58 stand objected to as being dependent upon a rejected base claim. Applicants submit that the remarks below, in connection with the new Declaration and Exhibits submitted herewith, overcome all rejections of and objections to claims 1-83.

The specification is amended to correct the priority claim to U.S. provisional patent application numbers 60/135,854 and 60/143,601. No new matter is added.

New Declaration under 37 CFR § 1.131

In the Office Action of January 2, 2004, the Office states that Exhibits 1, 2 and 3 presented no more than a vague idea of the problem, namely, to "[p]rovide a convenient way for the public to rent or buy movies thru the latest technology." The Office further states that the Exhibits do not present means to solve the problem or any interactions between the means.

Applicants submit herewith a new Declaration under 37 C.F.R. §1.131, which more clearly articulates and presents additional evidence expanding upon conception and possession of the invention that is claimed in the present Application. For example, Exhibits 1 and 3 in the attached Declaration were previously submitted as Exhibits 1 and 2 in the earlier Declaration. The new Declaration describes these Exhibits with additional clarity and in correspondence to claims of the present Application. The new Declaration also includes a new Exhibit 2 that is based upon newly located records. The additional records of Exhibit 2 were provided by a former employer of Applicant William H. Barber and were unavailable at the time of filing the earlier Declaration..

We respectfully request admission of the new Declaration and associated Exhibits. The attached new Rule 131 Declaration and Exhibits provide documentation of conception plus diligence by showing a continuing series of actions taken in development of the disk dispensing and retrieval system, from June of 1997 through the filing of the present application on May 25, 2000.

In order to accommodate new Exhibit 2, former Exhibits 2-22 of the Declaration filed November 6, 2003, have been renumbered as Exhibits 3-23, to maintain date-ordering of these documents. Exhibit 1 remains as submitted November 6, 2003.

The Declarations and Exhibits filed on June 19, 2003 and November 6, 2003 have been found by the Examiner to be sufficient to overcome the December 31, 1998 priority date of Hamm et al. Applicants submit that the new Declaration is also sufficient to antedate U.S. Patent No. 6,289,322 ("Kitchen"), issued September 11, 2001. In particular, the date of conception for inventions in the '631 Application is earlier than the March 3, 1998 effective date of Kitchen. Applicants provide evidence of conception and reduction to practice for the disk dispensing and retrieval system in Exhibits 1-23, in support thereof. Applicants now respectfully request elimination of Kitchen as a prior art reference, withdrawal of the 103(a) rejections based on Kitchen, and allowance of the immediate application, such as set forth below.

Claim Rejections – 35 USC § 103(a)

Claims 1-8, 18, 20-24, 26-29, 36-38, 42-53, 59-65, 67-70, 77-79 and 83 stand rejected as being unpatentable over U.S. Patent No. 5,934,439 ("Kano") in view of Kitchen. Applicants respectfully disagree and traverse the rejection. As shown in the attached Declaration under 37 CFR §1.131, Kitchen is not prior art to the inventions of claims 1-8, 18, 20-24, 26-29, 36-38, 42-53, 59-65, 67-70, 77-79 and 83.

The attached Declaration under 37 CFR §1.131, filed to antedate Kitchen, specifically shows conception of the invention prior to the effective date of Kitchen (March 3, 1998), and due diligence from this conception to the filing date of the present application. The Declaration further asserts that all acts relied upon were conducted within the United States. Accordingly, Applicants have demonstrated why Kitchen is inapplicable as prior art to the present invention.

Furthermore, Kano also does not render claims 1-8, 18, 20-24, 26-29, 36-38, 42-53, 59-65, 67-70, 77-79 and 83 *prima facie* obvious. The following is a quotation of from the MPEP setting forth the three basic criteria that must be met to establish a *prima facie* case of obviousness:

To establish a *prima facie* case of obviousness, three basic criteria must be met. First, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the references or to combine reference teachings. Second, there must be a reasonable expectation of success. Finally, the prior art reference (or references when combined) must teach or suggest all the

claim limitations. MPEP §2142, citing *In re Vaeck*, 947 F.2d 488, 20 USPQ2d 1438 (Fed. Cir. 1991).

Among other reasons, Kanoh does not teach each and every feature of claims 1-8, 27-29, 42, 44-53, 60-62, 69, 70 and 83, and cannot therefore anticipate or render these claims obvious. In one example, and as noted by the Examiner, Kanoh does not disclose transmitting an electronic receipt for a transaction to a user specified address received in billing information, as described in Applicants' claims 1 and 43. Therefore, Kanoh does not anticipate or render claims 1 or 43 obvious since each element is not shown or described by Kanoh. Applicants respectfully request reconsideration and allowance of claims 1 and 43.

As claims 2-8, 18, 20-24, 26-29, 36-38, and 42 depend from base claim 1 and claims 44-53, 59-65, 67-70, 77-79 and 83 depend from base claim 43, Applicants contend that they are allowable at least for the same reasons set forth above. Applicants therefore request withdrawal of the objection to claims 2-8, 18, 20-24, 26-29, 36-38, 42, 53, 59-65, 67-70, 77-79 and 83, and allowance of all claims.

Additional patentable distinctions are also apparent with respect to claims 2-8, 27-29, 42, 44-53, 60-62, 69, 70 and 83, for example. By way of example, the following features, among others, are not taught, suggested or disclosed within Kanoh:

- instructions to read from one of said optical storage media (claim 2);
- instructions to display data read from an optical storage media (claim 2);
- instructions to read and detect errors on returned media (claim 5);
- instructions to generate a recording responsive to the detection of errors on the media (claim 6);
- instructions to receive a signal from a user that the media contains an error (claim 7);
- reading a signal from a flag on a casing that is returned with the media (claim 8);
- a storage carousel (claim 9);
- a media polishing mechanism (claim 13);

- an internet service provider to convey messages (claim 26);
- a third processor operable to direct the transmission of messages (claim 26);
- instructions to insert or remove data from a message (claim 26);

Claims 30-32, 71 and 72 stand rejected as being unpatentable over Kanoh in view of Kitchen as applied to Applicants' claim 2, and further in view of U.S. Patent No. 5,822,291 ("Brindze"), under 35 U.S.C. §103(a). Applicants respectfully disagree and traverse the rejection since, among other reasons, Kitchen is not prior art to the inventions of claims 30-32, 71 and 72, as set forth in the attached Rule 131 Declaration.

As applied to Applicants' claim 1, claims 30-32, 71 and 72 stand rejected as being unpatentable over Kanoh in view of Kitchen and further in view of Brindze. Applicants respectfully disagree and traverse the rejection since, among other reasons, Kitchen is not prior art to the inventions of claims 30-32, 71 and 72, as set forth in the attached Rule 131 Declaration.

Furthermore, Kanoh and Brindze do not render claims 30-32, 71 and 72 *prima facie* obvious, since, among other reasons, Kanoh and Brindze, taken separately or in combination, fail to teach or reasonably suggest every element of claims 30-32, 71 and 72. Reconsideration is requested.

Claims 9-12 and 19 stand rejected as being unpatentable over Kanoh in view of Kitchen as applied to Applicants' claim 1, and further in view of U.S. Patent No. 4,915,205 ("Reid"), under 35 U.S.C. §103(a). Applicants respectfully disagree and traverse the rejection since, among other reasons, Kitchen is not prior art to the inventions of claims 9-12 and 19, as set forth in the attached Rule 131 Declaration. Note that Applicants are somewhat confused with this rejection since the Examiner applies "Reid" in the rejection but then discusses "O'Neil". Applicants therefore discuss each of Reid, O'Neil, Kanoh in the following arguments.

In the Office Action of August 6, 2003, the Examiner states that Kanoh, as modified by U.S. Patent No. 4,812,629 ("O'Neil"), shows all the features of the applicant's claimed invention except a storage carousel for the CDs (see page 4, last paragraph). However, as stated by the Examiner, Kanoh does not disclose electronically transmitting a receipt to the

user. O'Neil discloses a "receipt printer 112 to print a receipt for the customer" (col. 10, lines 60-61). Therefore, Kanoh, as modified by O'Neil, fails to show a storage carousel for the CD's (as noted by the Examiner) *and* fails to show electronically transmitting a receipt to the user, among other differences. Reid teaches printing information on a printer (col. 6, lines 38-39). Applicant therefore contends that Kanoh as modified by O'Neil and considering Reid still fails to teach or suggest all features of the applicant's claimed invention, for example, electronically transmitting a receipt to the user. Kanoh, Reid and/or O'Neil therefore do not render claims 9-12 and 19 *prima facie* obvious, since, among other reasons, Kanoh, Reid and O'Neil, alone or in combination, fail to teach every element of claims 9-12 and 19. Reconsideration is requested.

Claims 13, 54, 55 and 56 stand rejected as being unpatentable over Kanoh in view of Kitchen as applied to Applicants' claim 1, and further in view of U.S. Patent No. 5,938,510 ("Takahashi"), under 35 U.S.C. §103(a). Applicants respectfully disagree and traverse the rejection since, among other reasons, Kitchen is not prior art to the inventions of claims 13, 54, 55 and 56, as set forth in the attached Rule 131 Declaration.

Furthermore, neither Kanoh nor Takahashi, taken separately or in any combination, render claims 13, 54, 55 and 56 *prima facie* obvious, for example, because both Kanoh and Takahashi, together or in combination, fail to teach every element of claims 13, 54, 55 and 56. Reconsideration is requested.

As applied to Applicants' claim 2, claims 14 and 15 stand rejected under 35 U.S.C. §103(a) as being unpatentable over Kanoh in view of Kitchen, further in view of Takahashi. Applicants respectfully disagree and traverse the rejection since, among other reasons, Kitchen is not prior art to the inventions of claims 14 and 15, as set forth in the attached Rule 131 Declaration.

Furthermore, Kanoh and Takahashi also fail to render claims 14 and 15 *prima facie* obvious, since, among other reasons, Kanoh and Takahashi fail to teach or reasonably suggest every element of claims 14 and 15. Reconsideration is requested.

Claims 25, 34, 35, 66, 75 and 76 stand rejected as being unpatentable over Kanoh in view of Kitchen as applied to Applicants' claim 1, further in view of U.S. Patent No. 5,724,521 ("Dedrick"), under 35 U.S.C. §103(a). Applicants respectfully disagree and

traverse the rejection since, among other reasons, Kitchen is not prior art to the inventions of claims 25, 34, 35, 66, 75 and 76, as set forth in the attached Rule 131 Declaration.

As described above, Kanoh does not render claims 25, 34, 35, 66, 75 and 76 *prima facie* obvious. Dedrick, alone or in combination with Kanoh, also fails to render claims 25, 34, 35, 66, 75 and 76 *prima facie* obvious since, among other reasons, Dedrick fails to teach every element of claims 25, 34, 35, 66, 75 and 76. Reconsideration is requested.

As applied to Applicants' claim 1, claims 33, 73 and 74 stand rejected as being unpatentable over Kanoh in view of Kitchen, further in view of U.S. Patent No. 5,900,608 ("Iida"), under 35 U.S.C. §103(a). Applicants respectfully disagree and traverse the rejection since, among other reasons, Kitchen is not prior art to the inventions of claims 33, 73 and 74, as set forth in the attached Rule 131 Declaration.

Furthermore, the attached Declaration under 37 CFR §1.131, filed to antedate Kitchen, specifically shows conception of the invention prior to the effective date of Iida (October 16, 1997). Iida is also antedated and therefore inapplicable as prior art to the present invention. Reconsideration is requested.

Claims 39-41 and 80-82 stand rejected under 35 U.S.C. §103(a) as being unpatentable over Kanoh in view of Kitchen as applied to Applicants claim 1, further in view of Iida. 103(a). Applicants respectfully disagree and traverse the rejection since, among other reasons, neither Kitchen nor Iida are prior art to the inventions of claims 39-41 and 80-82, as set forth in the attached Rule 131 Declaration, and as argued above.

Allowable Subject Matter

Applicants appreciate the indication of allowable subject matter in claims 16, 17, 57, and 58.

Response to Arguments

The Examiner has considered and found the previous remarks by Applicants non-persuasive in view of the art as currently applied. The Examiner has additionally considered and found the previous Declaration (of November 6, 2003), ineffective to overcome the Kanoh et al. and Kitchen et al. references. Applicants contend that the new Declaration of William H. Barber and supporting Exhibits, submitted herein under 37 C.F.R. §1.131, are

sufficient to antedate Kitchen et al., thus eliminating the reference from the art applied by the Examiner. Applicants have further presented arguments that demonstrate patentability over the Examiner's prior grounds for rejection.

In summary, Applicants have shown why claims 1-83 are patentably distinguishable over the prior art and that both Kitchen and Iida are inapplicable as prior art references to these claims. Reconsideration and allowance of claims 1-83 is hereby requested. If an interview would expedite the allowance of the '631 application, the Examiner is encouraged to telephone the undersigned attorney.

This Response to Final Office Action is concurrently filed with a Request for Continued Examination ("RCE"), indicating authorization to charge the required small-entity fees of \$385 for the RCE and \$55 for the necessary One-Month Extension to Deposit Account No. 12-0600. It is believed that no further fees are due; however, if any fee is deemed necessary in connection with this Response or the accompanying Request for Continued Examination, the Commissioner is hereby authorized to charge Deposit Account No. 12-0600.

Respectfully submitted,

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